

# SEC NEWS DIGEST

Issue 98-204

October 22, 1998

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## COMMISSION ANNOUNCEMENTS

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### FEE RATE ADVISORY

The SEC's 1999 appropriation was enacted on October 21. As a result, the SEC will implement the new fee rate on filings made pursuant to Section 6(b) of the Securities Act of 1933 on Thursday, October 22. The new fee rate will decrease to \$278 per \$1,000,000. This rate also must be applied pro rata to amounts less than \$1,000,000. The fee should be calculated by multiplying the aggregate offering amount by .000278.

Filers and registrants should contact the Office of Filings and Information Services, Filer Support Unit, at (202) 942-8900 if they have any questions. (Press Rel. 98-113)

### JACOB STILLMAN NAMED SOLICITOR FOR THE SECURITIES AND EXCHANGE COMMISSION

The Commission today announced that Jacob H. Stillman will become the Commission's new Solicitor on January 1, 1999. In that capacity, he will continue his long-time role serving as head of the Commission's appellate and amicus curiae litigation and overseeing participation in bankruptcy cases. The current Solicitor, Paul Gonson, will retire at the end of the year.

"Jake is a superb legal craftsman and appellate lawyer," said Harvey Goldschmid, the Commission's General Counsel. "I am delighted that his great skill and wisdom will be available to the Commission for many years to come."

Mr. Stillman, 64, joined the agency in 1962 as a staff attorney in the Office of the General Counsel. He rose to various higher level positions and has been Associate General Counsel since 1978. In that position, his principal responsibility has been to supervise litigation in which the Commission participates, either as a party or as amicus curiae, in the various U.S. Courts of Appeals and in the U.S. Supreme Court. He has personally argued numerous cases and has played a significant role in the development of the federal securities laws for the protection of investors.

Prior to coming to the Commission, Mr. Stillman served as law clerk to a judge of the U.S. Court of Appeals for the Third Circuit. Mr. Stillman is a Phi Beta Kappa graduate of the University of Texas and received his J.D. degree cum laude from Harvard Law School. (Press Rel. 98-114)

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## **ENFORCEMENT PROCEEDINGS**

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### **NASD ACTION AGAINST CLYDE BRUFF SUSTAINED**

The Commission has sustained findings of violation by the National Association of Securities Dealers, Inc. (NASD) against Clyde J. Bruff of Oakland, California, formerly a registered general securities principal at Philip Grant McMichael & Co. and subsequently Portfolio Asset Management, both NASD member firms. The NASD had found that Bruff "exercised effective control over a customer's account and made recommendations to her that resulted in egregiously unsuitable excessive trading." The Commission sustained the NASD's sanction of a censure and bar from association in any capacity with any NASD member.

The Commission found that the level of trading activity in the customer's account was grossly inconsistent with her stated objectives and financial situation. The customer's investment objective was to earn a modest return on the insurance proceeds she received upon the destruction of her home by fire until her home could be rebuilt. There were 118 transactions executed in her account in a seven-month period and the average holding period for each transaction was less than three months. The Commission noted that it has repeatedly found excessive trading with lower turnover.

The Commission found that the sanctions imposed by the NASD were appropriate given the egregious nature of his violations and the fact that Bruff has been disciplined previously by the NASD for similar violations. (Rel. 34-40583; File No. 3-9414)

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## **INVESTMENT COMPANY ACT RELEASES**

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### **THE FRANCE GROWTH FUND, INC.**

An order has been issued on an application filed by The France Growth Fund, Inc. under Section 6(c) of the Investment Company Act exempting applicant from Section 19(b) of the Act and Rule 19b-1 under the Act. The order permits applicant to make up to four distributions of net long-term capital gains in any one taxable year, so long as it maintains in effect a distribution policy with respect to its common stock calling for quarterly distributions of a fixed percentage of its net asset value. (Rel. IC-23491 - October 20)

## THE SELECT SECTOR SPDR TRUST, ET AL.

A notice has been issued giving interested persons until November 12, 1998, to request a hearing on an application filed by The Select Sector SPDR Trust, the Index Exchange Listed Securities Trust (Trusts), State Street Bank and Trust Company, and ALPS Mutual Funds Services, Inc. Applicants request an order that would permit the Trusts, open-end management investment companies whose portfolios consist of the component securities of certain indices, to issue shares of limited redeemability that will trade in the secondary market at negotiated prices. The order also would permit affiliated persons of the Trusts to deposit securities into, and receive securities from, the Trusts. (Rel. IC-23492 - October 20)

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## SELF-REGULATORY ORGANIZATIONS

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### IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGES

A proposed rule change filed by the Chicago Board Options Exchange to modify the CBOE's fee schedule (SR-CBOE-98-42) has become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected in the Federal Register during the week of October 19. (Rel. 34-40566)

The National Association of Securities Dealers, through its wholly-owned subsidiary, The Nasdaq Stock Market, Inc., filed a proposed rule change (SR-NASD-98-47), which became effective upon filing, to integrate the Trade Acceptance and Reconciliation Service into the Automated Confirmation Transaction Service. Publication of the proposal is expected in the Federal Register during the week of October 19. (Rel. 34-40578)

### APPROVAL OF PROPOSED RULE CHANGES

The Commission approved a proposed rule change submitted by the Cincinnati Stock Exchange (SR-CSE-98-02) to update and clarify its rules pertaining to disciplinary jurisdiction and practice. Publication of the order is expected in the Federal Register during the week of October 19. (Rel. 34-40568)

The Commission approved a proposed rule change submitted by the American Stock Exchange (SR-AMEX-97-33) to allow the exchange to list and trade options on the Pauzé Tombstone Common Stock Index<sup>SM</sup>. (Rel. 34-40569)

The Commission approved a proposed rule change filed by The Depository Trust Company (SR-DTC-98-7). The rule change adds a new service providing pre-issuance messaging of money market instruments trade details between issuing and paying agents and dealers. (Rel. 34-40579)

The Commission approved a proposed rule change filed by the National Securities Clearing Corporation (SR-NSCC-98-04). The rule change adds new Addendum T to NSCC's Rules and Procedures regarding NSCC's obligation to continuously review participants to determine if they are required to reapply for membership due to a material change in conditions. (Rel. 34-40582)

#### PROPOSED RULE CHANGE

The New York Stock Exchange filed a proposed rule change (SR-NYSE-98-30) to change the NYSE's Rule 412, which governs the process of customer account transfers. Publication of the proposal is expected in the Federal Register during the week of October 19. (Rel. 34-40571)

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#### SECURITIES ACT REGISTRATIONS

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The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

- F-1 INCAM AG, XANTERNER STRASSE 7, 41460 NEUSS GERMANY, 18 - \$9,000,000  
FOREIGN COMMON STOCK. (FILE 333-9512 - OCT. 13) (BR. 7 - NEW ISSUE)
- S-1 NETSOLVE INC, 12331 RIATA TRACE PARKWAY, AUSTIN, TX 78727 (512) 340-3000  
- \$51,750,000 COMMON STOCK. (FILE 333-65691 - OCT. 15) (BR. 37  
- NEW ISSUE)
- S-8 MIPS TECHNOLOGIES INC, 2011 N SHORELINE BLVD, MOUNTAIN VIEW, CA 94043  
(650) 960-1980 - 7,860,000 (\$113,675,187.37) COMMON STOCK. (FILE  
333-65693 - OCT. 15) (BR. 3)
- S-8 ST JOSEPH LIGHT & POWER CO, 520 FRANCIS ST, PO BOX 998, ST JOSEPH, MO  
64502 (816) 233-8888 - 600,000 (\$10,800,000) COMMON STOCK. (FILE  
333-65695 - OCT. 15) (BR. 2)
- S-3 CIT GROUP INC, 1211 AVE OF THE AMERICAS, NEW YORK, NY 10036  
(212) 536-1390 - 56,350,000 (\$1,334,790,600) COMMON STOCK. (FILE  
333-65697 - OCT. 15) (BR. 7)
- S-3 LEUKOSITE INC, 215 FIRST ST, CAMBRIDGE, MA 02142 - 7,071,810  
(\$50,422,005) COMMON STOCK. (FILE 333-65701 - OCT. 15) (BR. 1)
- S-8 FORD MOTOR CO, THE AMERICAN RD, DEARBORN, MI 48121 (313) 322-3000 -  
104,000,000 (\$104,000,000) OTHER SECURITIES INCLUDING VOTING TRUST.  
2,000,000 (\$92,187,500) COMMON STOCK. (FILE 333-65703 - OCT. 15) (BR. 5)
- S-8 COMAIR HOLDINGS INC, P O BOX 75021 CINCINNATI NORTHERN,  
KENTUCKY INTERNATIONAL AIRPORT, CINCINNATI, OH 45275 (606) 767-2550 -  
3,500,000 (\$75,687,500) COMMON STOCK. (FILE 333-65705 - OCT. 15) (BR. 5)
- S-3 CINTAS CORP, 6800 CINTAS BLVD, P O BOX 625737, CINCINNATI, OH 45262  
(513) 459-1200 - 11,446 (\$508,638) COMMON STOCK. (FILE 333-65707 -  
OCT. 15) (BR. 2)

S-3 ADM TRONICS UNLIMITED INC/DE, 224 S PEGASUS AVE, NORTHVALE, NJ 07647  
(201) 767-6040 - 3,071,000 (\$1,727,437.50) COMMON STOCK. (FILE 333-65709 -  
OCT. 15) (BR. 2)

S-3 SERVICE CORPORATION INTERNATIONAL, 1929 ALLEN PKWY, P O BOX 130548,  
HOUSTON, TX 77019 (713) 522-5141 - 500,000,000 (\$500,000,000)  
PREFERRED STOCK. (FILE 333-65711 - OCT. 15) (BR. 8)

S-2 GENERAL MOTORS ACCEPTANCE CORP, 3044 W GRAND BLVD, DETROIT, MI 48202  
(313) 556-1508 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE  
333-65713 - OCT. 15) (BR. 7)

S-8 FOREST LABORATORIES INC, 909 THIRD AVENUE, NEW YORK, NY 10022  
(212) 421-7850 - 4,000,000 (\$150,750,000) COMMON STOCK. (FILE 333-65715 -  
OCT. 15) (BR. 1)

S-8 OMEGA HEALTH SYSTEMS INC, 5100 POPLAR AVE STE 2100, MEMPHIS, TN 38137  
(901) 683-7868 - 450,000 (\$1,440,000) COMMON STOCK. (FILE 333-65717 -  
OCT. 15) (BR. 1)

S-8 HARVEST RESTAURANT GROUP INC, 1250 NE LOOP 410, STE 335, SAN ANTONIO, TX  
78209 (210) 824-2496 - 483,000 (\$101,430) COMMON STOCK. (FILE 333-65719 -  
OCT. 15) (BR. 9)

S-8 PACIFIC SUNWEAR OF CALIFORNIA INC, 5037 E HUNTER AVE, ANAHEIM, CA 92807  
(714) 693-8066 - 600,000 (\$13,332,000) COMMON STOCK. (FILE 333-65721 -  
OCT. 15) (BR. 2)

S-8 UNITED ARTISTS THEATRE CO, 9110 EAST NICHOLS AVENUE, STE 200, ENGLEWOOD,  
CO 80112 (303) 792-8792 - 1,518,000 (\$25,365,780) COMMON STOCK. (FILE  
333-65725 - OCT. 15) (BR. 5)

S-8 NETAMERICA INTERNATIONAL CORP, 4505 S WASATCH BLVD #330, SUITE 400,  
SALT LAKE CITY, UT 84124 (801) 274-8600 - 760,000 (\$7,600) COMMON STOCK.  
(FILE 333-65729 - OCT. 15) (BR. 9)

S-8 ESOFIT INC, 5335 STERLING DRIVE SUITE 300, SUITE 3000, BOULDER, CO 80301  
(303) 444-1600 - 900,000 (\$2,313,000) COMMON STOCK. (FILE 333-65733 -  
OCT. 15) (BR. 9)

S-3 PRENTISS PROPERTIES TRUST/MD, 3890 W NORTHWEST HY, STE 400, DALLAS, TX  
75220 (214) 654-0886 - 524,180 (\$9,927,183) COMMON STOCK. (FILE 333-65735  
- OCT. 15) (BR. 8)

SB-2 CATHETER TECHNOLOGY GROUP INC, 3 COMMERCE BLVD, PALM COAST, FL 32164  
(904) 445-5450 - 650,000 (\$3,981,250) COMMON STOCK. (FILE 333-65737 -  
OCT. 15) (BR. 5)

S-8 LAMALIE ASSOCIATES INC, 200 PARK AVE, STE 3100, NEW YORK, NY 10166  
(813) 961-7494 - 500,000 (\$3,000,000) COMMON STOCK. (FILE 333-65739 -  
OCT. 15) (BR. 8)

S-3 SERVICO INC, 1601 BELVEDERE RD STE 501 S, WEST PALM BEACH, FL 33406  
(561) 689-9970 - 3,500,000 (\$75,250,000) COMMON STOCK. (FILE 333-65741 -  
OCT. 15) (BR. 8)

S-3 QUINTILES TRANSNATIONAL CORP, 4709 CREEKSTONE DR,  
RIVERBIRCH BLDG STE 200, DURHAM, NC 27703 (919) 941-2000 - 1,209,784  
(\$51,113,374) COMMON STOCK. (FILE 333-65743 - OCT. 15) (BR. 1)

S-8 FRESH CHOICE INC, 2901 TASMAN DR STE 109, SANTA CLARA, CA 95054  
(408) 986-8661 - 200,000 (\$191,250) COMMON STOCK. (FILE 333-65745 -  
OCT. 15) (BR. 5)

F-3 ILOG SA, 9 RUE DE VERDUN, 94253 GENTILLY FRANC, IO (011) 331-4908 -  
26,779 (\$222,533.49) COMMON STOCK. (FILE 333-65747 - OCT. 15) (BR. 3)

S-8 IVI CHECKMATE CORP, 1003 MANSELL ROAD, ROSWELL, GA 30076 (770) 594-6000  
- 41,521 (\$107,357.10) COMMON STOCK. (FILE 333-65749 - OCT. 16) (BR. 3)

S-8 CURATIVE HEALTH SERVICES INC, 150 MOTOR PARKWAY, BOX 9052, HAUPPAUGE, NY  
11788 (516) 232-7000 - 1,400,000 (\$35,000,000) COMMON STOCK. (FILE  
333-65751 - OCT. 16) (BR. 1)

S-8 CURATIVE HEALTH SERVICES INC, 150 MOTOR PARKWAY, BOX 9052, HAUPPAUGE, NY 11788 (516) 232-7000 - 250,000 (\$6,250,000) COMMON STOCK. (FILE 333-65753 - OCT. 16) (BR. 1)

S-8 K TEL INTERNATIONAL INC, 2605 FERNBROOK LN N, MINNEAPOLIS, MN 55447 (612) 559-6800 - 1,044,500 (\$5,581,803) COMMON STOCK. (FILE 333-65755 - OCT. 15) (BR. 2)

S-8 SCHOLASTIC CORP, 555 BROADWAY, NEW YORK, NY 10012 (212) 343-6100 - 1,500,000 (\$58,687,500) COMMON STOCK. (FILE 333-65757 - OCT. 16) (BR. 5)

S-4 HARRAHS ENTERTAINMENT INC, 1023 CHERRY ROAD, MEMPHIS, TN 38117 (901) 762-8600 - 28,382,188 (\$316,745,218) COMMON STOCK. (FILE 333-65759 - OCT. 15) (BR. 5)

S-8 LS CAPITAL CORP, 15915 KATY FREEWAY, STE 250, HOUSTON, TX 77094 (713) 398-5588 - 2,500,000 (\$140,625) COMMON STOCK. (FILE 333-65761 - OCT. 15) (BR. 5)

S-4 ACNB CORP, 675 OLD HARRISBURG RD, P O BOX 3129, GETTYSBURG, PA 17325 (717) 334-3161 - 561,968 (\$12,874,686.88) COMMON STOCK. (FILE 333-65763 - OCT. 16) (BR. 7)

S-3 DETROIT EDISON CO, 2000 SECOND AVE - 2112 WCB, DETROIT, MI 48226 (313) 237-8000 - 300,000,000 (\$300,000,000) STRAIGHT BONDS. (FILE 333-65765 - OCT. 16) (BR. 2)

S-8 SBE INC, 4550 NORRIS CANYON ROAD, SAN RAMON, CA 94583 (510) 355-2000 - 300,000 (\$1,407,420) COMMON STOCK. (FILE 333-65767 - OCT. 16) (BR. 3)

S-8 PHILLIPS PETROLEUM CO, PHILLIPS BUILDING, 800 PLAZA OFFICE BUILDING, BARTLESVILLE, OK 74004 (918) 661-6600 - 650,000 (\$29,737,500) COMMON STOCK. (FILE 333-65769 - OCT. 16) (BR. 4)

S-8 PHILLIPS PETROLEUM CO, PHILLIPS BUILDING, 800 PLAZA OFFICE BUILDING, BARTLESVILLE, OK 74004 (918) 661-6600 - 800,000 (\$36,600,000) COMMON STOCK. (FILE 333-65771 - OCT. 16) (BR. 4)

S-8 OMEGA HEALTH SYSTEMS INC, 5100 POPLAR AVE STE 2100, MEMPHIS, TN 38137 (901) 683-7868 - 25,000 (\$80,000) COMMON STOCK. (FILE 333-65773 - OCT. 16) (BR. 1)

S-8 OMEGA HEALTH SYSTEMS INC, 5100 POPLAR AVE STE 2100, MEMPHIS, TN 38137 (901) 683-7868 - 450,000 (\$1,440,000) COMMON STOCK. (FILE 333-65775 - OCT. 16) (BR. 1)